

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Melvin Neufeld at 9:00 a.m. on March 24, 2004 in Room 514-S of the Capitol.

All members were present.

Committee staff present:

Alan Conroy, Legislative Research
J. G. Scott, Legislative Research
Amy VanHouse, Legislative Research
Michele Alishahi, Legislative Research
Audrey Dunkel, Legislative Research
Jim Wilson, Revisor of Statutes
Mike Corrigan, Revisor of Statutes
Nikki Feuerborn, Administrative Analyst
Shirley Jepson, Committee Secretary

Conferees appearing before the committee:

Tom Bell, Kansas Hospital Association
Jerry Marquette, Coffeyville Regional Medical Center
Steven Scheer, Health Management Associates
Joy Wheeler, FirstGuard Health Plan
Jerry Slaughter, Kansas Medical Society
Laura Howard, Department of Social and Rehabilitation Services
Robert Day, Governor's Office
Debra Zehr, Kansas Association of Homes & Services for the Aging
Marilyn Page, Marion Clinic
Lee Eaton, Kansas Health Care Association
Karla Finnell, Kansas Association for the Medically Underserved
Shannon Jones, Statewide Independent Living Council of Kansas
Robert Nyquist, Kansas Pharmacists Association

Others attending:

See Attached List.

- Attachment 1 Testimony by Tom Bell, Kansas Hospital Association
- Attachment 2 Testimony by Jerry Marquette, Coffeyville Regional Medical Center
- Attachment 3 Testimony by Steven Scheer, Health Management Associates
- Attachment 4 Testimony by Joy Wheeler, FirstGuard Health Plan
- Attachment 5 Testimony by Jerry Slaughter, Kansas Medical Society
- Attachment 6 Testimony by Laura Howard, Department of Social and Rehabilitation Services
- Attachment 7 Testimony by Robert Day, Governor's Office
- Attachment 8 Testimony by Debra Zehr, Kansas Association of Homes & Services for the Aging
- Attachment 9 Testimony by Marilyn Page, Marion Clinic
- Attachment 10 Testimony by Lee Eaton, Kansas Health Care Association
- Attachment 11 Testimony by Karla Finnell, Kansas Association for the Medically Underserved
- Attachment 12 Testimony by Shannon Jones, Statewide Independent Living Council of Kansas
- Attachment 13 Testimony by Robert Nyquist, Kansas Pharmacists Association
- Attachment 14 Testimony by Penny Schwab, United Methodist Mexican-American Ministries, Inc
- Attachment 15 Testimony by Dennis Bush, Kansas Health Care Association
- Attachment 16 Testimony by Gilbert Cruz, Kansas Health Care Association
- Attachment 17 Testimony by Linda Berndt, Executive Vice President, Kansas Health Care Assoc
- Attachment 18 Testimony by Lew Ebert, President and CEO, The Kansas Chamber
- Attachment 19 Testimony by Carolyn Gaughan, Kansas Academy of Family Physicians
- Attachment 20 Budget Committee Report on **SB 487**
- Attachment 21 Proposed Amendment to **HB 2938**
- Attachment 22 Proposed Amendment to **HB 2938**
- Attachment 23 Budget Committee Report on **SB 527**
- Attachment 24 Proposed Amendment to **SB 527**

CONTINUATION SHEET

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE at 9:00 a.m. on March 24, 2004 in Room 514-S of the Capitol.

- Attachment 25 Proposed Amendment to **HB 2688**

Hearing on HB 2938 - Health care access improvement program, provider assessments.

Audrey Dunkel, Legislative Research Department, explained that **HB 2938** would create the health care access improvement fund. Money collected through the assessment process, federal matching funds, interest and penalties would be deposited in the fund. An annual assessment on inpatient services would be imposed on each hospital provider and health maintenance organization. **HB 2938** would establish a health care access improvement advisory panel for the purpose of administering and selecting the disbursements. The panel would make an annual report to the legislature regarding the collection and distribution of all funds received and distributed by the act. The fiscal note on the bill is \$111.2 million all funds revenue.

Chairman Neufeld recognized the following participants who presented testimony in support of **HB 2938**:

- Tom Bell, Executive Vice President of the Kansas Hospital Association ([Attachment 1](#))
- Jerry Marquette, CEO, Coffeyville Regional Medical Center and Chairman of the Board of Directors of the Kansas Hospital Association ([Attachment 2](#))
- Steven Scheer, Principal, Health Management Associates ([Attachment 3](#))
- Joy Wheeler, FirstGuard Health Plan ([Attachment 4](#))
- Jerry Slaughter, Executive Director, Kansas Medical Society ([Attachment 5](#))
- Laura Howard, Deputy Secretary, Department of Social and Rehabilitation Services ([Attachment 6](#))
- Robert M. Day, Director, Governor's Office of Health Planning and Finance ([Attachment 7](#))
- Debra Zehr, Vice President, Kansas Association of Homes & Services for the Aging ([Attachment 8](#))
- Marilyn Page, Executive Director, Marion Clinic ([Attachment 9](#))
- Lee Eaton, Kansas Health Care Association ([Attachment 10](#))
- Karla Finnell, Kansas Association for the Medically Underserved ([Attachment 11](#))
- Shannon Jones, Executive Director, Statewide Independent Living Council of Kansas (SILCK) ([Attachment 12](#))
- Robert Nyquist, Kansas Pharmacists Association ([Attachment 13](#))

Written testimony in support of **HB 2938** was received from the following:

- Penny Schwab, Executive Director, United Methodist Mexican-American Ministries, Inc. ([Attachment 14](#))
- Dennis Bush, Kansas Health Care Association ([Attachment 15](#))
- Gilbert Cruz, Kansas Health Care Association ([Attachment 16](#))
- Linda Berndt, Executive Vice President, Kansas Health Care Association ([Attachment 17](#))
- Lew Ebert, President and CEO, The Kansas Chamber ([Attachment 18](#))
- Carolyn Gaughan, Executive Director, Kansas Academy of Family Physicians ([Attachment 19](#))

During discussion, the Committee noted that the legislation is necessary to assist hospitals who provide medicaid services and to maximize the federal draw-down. The Committee felt that there may be a need to add some flexibility in the legislation to provide assistance to other areas of need. The Committee noted that there are two technical amendments proposed by the Department of Social and Rehabilitation Services testimony concerning the (1) deposit of federal matching funds and (2) removing the statutory requirement to pay the providers more before the assessment is applied, suggesting that the assessment and changes in reimbursement should be effective simultaneously. The Committee suggested adding an amendment to the bill to add one member to the board representing the medically underserved.

Chairman Neufeld closed the hearing on **HB 2938**.

Discussion and Action on SB 487 - Creating the gas valuation depletion trust fund and providing for distribution of moneys therefrom.

Amy VanHouse, Legislative Research Department, explained the Agriculture and Natural Resources Budget Committee report stating that **SB 487** would provide for a partial diversion of gas severance tax receipts from the State General Fund (SGF) beginning in FY 2007 relative to collections in fourteen counties. For the counties with at least \$500,000 in FY 2003 severance tax receipts, an increasing portion of receipts would be diverted from the SGF beginning in FY 2007 into a new fund, the Gas Valuation Depletion Trust Fund

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(GVDTF). Each participating county would have a separate trust account established on its behalf within the GVDTF (Attachment 20).

The Committee voiced concern that State General Fund moneys are being diverted to some counties for a specific industry when there are other areas and industries in the State that are also suffering from the economy.

Representative Schwartz, Chair of the Agriculture and Natural Resources Budget Committee, moved to accept the Budget Committee report to recommend SB 487 favorable for passage. The motion was seconded by Representative Osborne. Motion carried.

The meeting was recessed at 10:30 a.m.

AFTERNOON SESSION

Chairman Neufeld reconvened the meeting at 1:15 p.m.

Discussion and Action on HB 2938 - Health care access improvement program, provider assessments.

Chairman Neufeld presented and explained a proposed amendment to **HB 2938** which would give more flexibility by allowing increased medicaid rates on designated procedures and codes for providers who are persons licensed to practice dentistry, or home and community-based services; and allows one member appointed to the advisory board by the Kansas Association for the Medically Underserved (Attachment 21).

Chairman Neufeld moved to adopt the amendment to HB 2938. The motion was seconded by Representative Feuerborn. Motion carried.

The Chair recognized Scott Brunner, Department of Social and Rehabilitation Services (SRS), who presented a balloon to **HB 2938** addressing issues of concern in the bill resulting in a compromise between the Department of Social and Rehabilitation Services and FirstGuard Health Plan (Attachment 22).

Representative Feuerborn moved to amend HB 2938 by adopting the balloon presented by the Department of Social and Rehabilitation Services. The motion was seconded by Representative Bethell. Motion carried.

Representative Shriver moved to add language to Section 12 stating that warrants and deposits shall not be subject to fees by the State Treasurer. The motion was seconded by Representative Pottorff. Motion carried.

Representative Feuerborn moved to recommend HB 2938 favorable for passage as amended and allow technical corrections as necessary. The motion was seconded by Representative Shultz. Motion carried.

Discussion and Action on SB 527 - Establishment of water supply storage assurance fund and local water project match fund administered by the Kansas Water Office.

Amy VanHouse, Legislative Research Department, explained that **SB 527** would create the Water Supply Storage Assurance Fund and the Local Water Project Match Fund administered by the Kansas Water Office. The bill also specifies the uses of each fund (Attachment 23).

Representative Schwartz moved to adopt the Agriculture and Natural Resources Budget Committee report on SB 527. The motion was seconded by Representative Gatewood. Motion carried.

Representative Schwartz moved to amend SB 527 by adding language clarifying the authority of nonvoting members ex officio of the Kansas water authority (Attachment 24). The motion was seconded by Representative Osborne. Motion carried.

Representative Schwartz moved to recommend SB 527 favorable for passage as amended. The motion was seconded by Representative Osborne. Motion carried.

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MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE at 9:00 a.m. on March 24, 2004 in Room 514-S of the Capitol.

Discussion and Action on HB 2688 - Kansas use law procedures, establishing the state use law committee.

Representative Pottorff, Chair of the General Government and Commerce Budget Committee, presented the Budget Committee report on HB 2688 with balloon amendments and moved for the adoption of the Budget Committee recommendation with balloon amendments (Attachment 25). The motion was seconded by Representative Shriver. Motion carried.

Representative Pottorff moved to recommend HB 2688 favorable for passage as amended and allow for technical corrections as necessary. The motion was seconded by Representative Shriver. Motion carried.

Discussion and Action on HR 6027 - Brachial Plexus Injury Awareness.

Representative Landwehr, Chair of the Social Services Budget Committee, presented the Budget Committee report on **HB 6027** stating that the brachial plexus injuries affect the network of nerves that control the muscles of the shoulder, arm, elbow, wrist, hand and fingers and can result in full to partial paralysis of one or both arms. The Awareness Week is the third week in October and is an opportunity to educate the public, inform parents and professions about the services available and to reach out to the general public making a difference in the lives of those with brachial plexus injuries. The Budget Committee provided no amendments to the resolution.

Representative Landwehr moved for the adoption of the Budget Committee report to recommend HR 6027 favorable for passage. The motion was seconded by Representative Bethell.

Representative Klein moved to send ten copies of the enrolled resolution to the author of the bill. The motion was seconded by Representative Campbell. With permission of the second, the motion was withdrawn.

Representative Feuerborn moved for a substitute motion to strike line 7-11, Page 2, of HR 6027. The motion was seconded by Representative Gatewood. Division was requested. Motion failed.

Representative Landwehr renewed the motion to adopt the Budget Committee report to recommend HR 6027 favorable for passage. Motion carried.

Representative Bethell moved to approve the minutes as written of March 3, March 4, March 5, March 8, March 9, March 10, March 11 and March 12, 2004. The motion was seconded by Representative Campbell. Motion carried.

The meeting was adjourned at 2:15 p.m. The next meeting is "on call of the Chair".

Melvin Neufeld, Chairman